

NPCI/2016-17/NACH/Circular No.218

March 27, 2017

To

All NACH member banks

**API based E-mandate process**

Refer to our Circular No.214 "Introduction of two variants in API based mandate", NPCI is providing an interface for the banks to connect through API to enable the customer to authenticate the mandates using either internet banking credentials or debit/credit card credentials. Accordingly member banks were advised to build the system for authenticating both the mandate variants as desired below by NPCI.

**API Mandate**

Electronically initiated mandate through web where the customer authenticates the credentials digitally is called API based mandate.

Once customer submits the mandate for through merchant site the browser will be directed through NPCI to the destination bank for authentication. On selecting the bank, user will be given option for authentication either through (i) Net banking or (ii) debit / credit card based on the ability of the banks to offer either or both the services. In case of bank is offering only one of the services then only that service should be displayed.

The following are the 2 methods to allow the customer to digitally authenticate the mandates

1. Net banking credentials
2. Debit / Credit card

It is expected that the corporate (Utility company / BFSI institutions) will provide a web page enabling the customer to set up the mandates digitally, while designing the web page the corporate should take care of the followings.

1. Customer will log in to the corporate website.
2. Key in all the mandatory fields required for a mandate as per the guidelines of NPCI.
3. Post confirmation, the customer should be directed to the bank's site for authentication using
  - a. Net banking credentials
  - b. Debit / Credit card

The detailed points to be noted is enclosed herewith for the ready reference.

### Authorisation through Net banking:

When customer selects desired bank and authorisation mode as “Netbanking”, request will be sent to the bank for internet banking login page, the page should be designed in such a way that

- Ensure account number given by customer in the mandate form is valid and “Active”. In case account number is invalid / Inactive, bank should redirect the failed authentication to NPCI interface with reason “Account Invalid / Inactive”.
- If account is active, allow customer to login net banking web site. After predetermined unsuccessful login attempts, bank has to redirect to NPCI interface with reason “Invalid login credentials”.
- On successful login, bank should display information given by the customer in the online mandate form for confirmation along with bank “Terms and Policy”. Bank can also add OTP or any other authentication mechanism as may be required.
- Provision should be made so that customer can reject the mandate with reason “Mandate information mismatch”.
- Bank can also reject the customer mandate based on internal policies defined at bank end with appropriate reject reasons.
- Bank should redirect the success or failure authentication to NPCI interface with appropriate reason/s as may be defined by NPCI.
- Bank to preserve the mandate information and the status for future reference. This is applicable even for rejected mandates.
- All the regulations governing the internet banking as per the internet policy of the bank or RBI should be followed.

### Authorisation through Debit / Credit card:

- Ensure card number given by customer in the mandate form is valid and “Active”. In case account number is invalid / Inactive, bank should redirect the failed authentication to NPCI interface
- If card is active, the following details should be accepted from the customer:
  - a. Expiry of card and CVV
  - b. OTP
- On successful validation of details provided, bank should display information given by customer in the online mandate form for confirmation.
- Provision should be made so that customer can reject the mandate with reason “Mandate information mismatch”.
- Bank can also reject the customer mandate based on internal policies defined at bank end with appropriate reject reasons.
- Bank should redirect the success or failure authentication to NPCI interface with appropriate reason/s as may be defined by NPCI.

- Bank to preserve the mandate information and the status for future reference. This is applicable even for rejected mandates.
- All the regulations governing the card based authentication as per the internet policy of the bank or RBI should be followed.

The technical specification is provided in annexure I. All the member banks are advised to start working on this on priority.

For any clarifications please write back to [ach@npci.org.in](mailto:ach@npci.org.in)

With warm regards,



(Giridhar G M)

VP & Head - NACH & CTS Operations